

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.  
30-025-28296

5. Indicate Type of Lease  
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.  
33786

7. Lease Name or Unit Agreement Name

Peoples Security

<33786>

8. Well Number 3

9. OGRID Number  
227069

10. Pool name or Wildcat  
Scharb Bone Spring

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Momentum Energy Corporation

3. Address of Operator  
P.O. Box 3398, Midland TX 79702

4. Well Location

Unit Letter B : 660 feet from the North line and 1980 feet from the East line  
Section 10 Township 19S Range 35E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3826.1 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

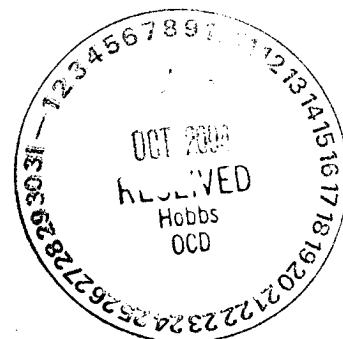
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

\*\*See Attached\*\*



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Sammie L. Hodges TITLE Operations Foreman DATE 10/6/04

Type or print name Sammie L. Hodges

E-mail address:

Telephone No. 432/682-0595

For State Use Only

APPROVED BY: Larry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE OCT 14 2004  
Conditions of Approval (if any)

**Momentum Energy Corporation**  
Midland, Texas

**Daily Operations Report-Drilling**

**Well: PEOPLES SECURITY #3**

Property # 33786

API # 30-025-28296

PTD- 9500'

4/17/04: Repair road, have location cleared of mesquites, dig out cellar and dig work pit.

4/19/04: Cut off 9-5/8 and prepare 7", weld on larkin tubing head.

4/20/04: Fill in cellar. Have anchors set. Line and fence pit.

4/21/04: MIRU Eunice Well Service, Lucky rental tools. Receive and rack 220 jts new 2-7/8" tubing and 80 jts used 2-7/8" tubing. Install BOP, prepare to pick up drill string. SDFN.

4/22/04: Drill out surface plug to 92'. RIH and tag second plug at 316". Circulate hole clean. Drill from 316 to 344'. Circ hole clean. SDFN.

4/23/04: Resume drilling plug #2, fell out of cement at 505'. Total 189' cement. Test to 1000#. Mud dehydrated, circulate down to 627'. Circ hole clean. Shut down for weekend.

4/26/04: TIH to 1700'. Circ mud out to pit. TIH to 3000'. Circ out mud. TIH & tag cement @ 4070', Drill cement to 4225' (155'). Test casing to 1000# - ok. TIH to 5538'. Circ hole clean. Secure well & SDON.

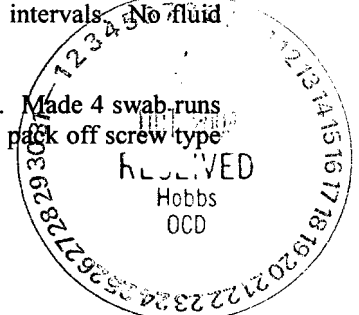
4/27/04: Continue TIH. Tag cement plug @ 7060'. Drill cement to 7200'. Test casing to 1000# - ok. TIH to 8430' and reverse out mud till clean. TIH to 9510', reverse out mud till clean. TOH. Lay down drill collars & bit. Secure well & SDON.

4/28/04: TIH w/ 6-1/8" bit, 7" casing scraper, 2-7/8" seating nipple and 300 jts 2-7/8" tubing to 9692'. RU Cudd Acid Co. Pickle tubing w/ 500 gal 15% HCL @ 1 bpm until acid in casing. Increase rate to 3 bpm & pickle 7" casing. Chased acid w/ 390 bbl 2% KCL. Pull bit to 9230'. Spot 250 gal 10% acetic acid from 9230' to 9100'. Rig down Cudd & TOH w/ tubing, scraper and bit.

4/29/04: MIRU JSI Wireline Co., Run gamma-ray strip from 9327 up to 8710. Correlate to Dresser open hole log dated 9/14/83. (gamma ray spikes @ 8736, 9114, 9124, & 8980') TIH w/ perf guns & perforate 9212' back up to 9148' w/ 1 shot/ft. Total of 65 holes. Fluid level stayed @ 550' during perforating. Rig down wireline co and RU tubing tester. TIH w/ 2-7/8"X7" K3 packer, seating nipple & 278 jts tubing. Tested tubing to 7000# above slips. Set packer and install TIW valve. Secure well & SDON.

4/30/04: MIRUKT. Load & test tubing annulus to 500# - ok. Tie on to tubing & break perfs @ 9148-9212' w/ spot acetic acid (6 bbl) @ 2440#. Pump 6 bbl acetic in zone @ 2 bpm & 2300#. ISDP- 2200, 5 min- 1900, 10 min- 1850, 15 min- 1800. Swab well. IFL @ surface. FFL @ 9000'. Made 9 runs recovering tubing. Volume of 50-52 bbl. No shows. Made 2 runs after dry @ 1 hr intervals. No fluid entry, oil show or gas blow. Shut well in for weekend.

5/3/04: 4 hr SITP- slight vacuum, swab well. IFL @ 8500'- all water. FFL @ 8800'. Made 4 swab runs recovering approx 6-1/2 bbl fluid - all water - no show or blow. ND BOP, set slips & pack off screw type tubing head. Shut well in & release all rental equipment except TIW valve.



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PTD- 9500'

5/4/04: Shut in – Waiting on frac.

5/19/04: MIRUSU. SITP- 15#, swab before acidizing, IFL @ 6500'. No oil show. Swabbed dry in 3 runs. No shows. MIRU Cudd Acid Co. Acidize 9148'-9212' w/2000 gal 7-1/2% 90/10 blend acid & 100 ball sealers @ 3-1/2 bpm & +/- 2500# pressure. Got moderate to good ball action but no ball out. ISDP- 2050#, 5 min- 1961#, 10 min- 1932#, 15 min- 1912#. Open up to pit. Flowed back less than 3 bbl & died off. Swab. IFL @ surface, FFL @ 8900'. Load to recover 107 bbl. Swabbed & flowed 65 bbl- no shows. 42 bbl load to recover.

5/20/04: Well open to pit. Swab. IFL @ 8000' - 1-3% oil on 1st run. FFL @ 8900'. Swabbed 10 bbl today- slight oil show on first run, rainbow show after that. Swabbed dry in two runs and then one per hour getting 1/2 bph fluid entry. Have 32 bbl load left to recover out of 107 bbl load.

5/21/04: SITP- Vacuum. Swab. Fluid level @ 8200'. Had a strong oil & gas odor on swab run but only 1-2% oil cut. Load tubing w/ 55 bbl 2% kcl. ND tubing head & NU BOP. Unset packer & TIH w/ same to 9240'. Pull & reset packer @ 9019 – 9025'. Set w/ 40 pts compression. Test tubing annulus to 2000# - ok. Swab tubing down to seating nipple @ 9019'. Secure well & prep to frac.

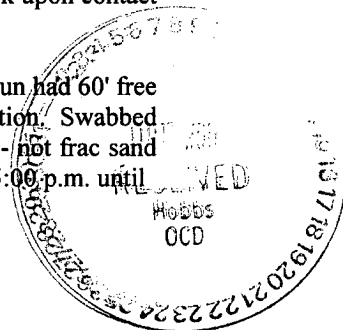
5/22/04: MIRU Cudd frac equipment. Frac 9148' – 9212' w/ 986 bbl gel & 75,000# 20/40 Ottawa sand as per frac recommendation. AIP- 5600#, AIR- 21, 13 pm. ISDP- 2550#. Total bbl load water to recover- 1060. Open up for forced closure. Shut back in, rig down Cudd. Flow back to pit. At 8:00 a.m. 5/23/04 well flowed back total 280 bbl & was flowing w/choke set full open getting pencil stream flow. Recovered 280 bbl load water, 780 bbl load water to recover.

5/23/04: 7:00 a.m. Well dead. Est 240 bbl flowed back out of 986 bbl. Swab well. IFL @ surface, FFL @ 3700'. No oil or gas shows yet. Swabbed approx 200 bbl today. Dropped fluid level to 3700' in 4 hrs. (12 runs) Started getting some resin coated sand w/ fluid level @ 3700'. Slowed down to 2 runs/hr. No sand. Fluid level stayed @ 3700' after that w/ trace of sand on cups. 986 bbl load to recover, 280 flowed, 200 swabbed, 506 bbl left to recover. Left well open to pit & SDON.

5/25/04: Tubing open to pit - swab. Total 22 swab runs. IFL @ 2000', FFL @ 6000'. Had 30' free oil on 1st run. Swabbed 180 bbl today w/ 2-3% avg oil show & swab runs getting gassy. Burns ok while swabbing - bright orange color. 986 bbls load to recover, 280 bbl flowed, 200 bbl swabbed, 380 swabbed, 326 bbl load left to recover. Shut well in & SDON.

5/26/04: 12 hr SITP- 60#. Bleed to pit & swab. IFL @ 3500'. FFL @ 7000'. Had 60' free oil on first run. Made 20 runs for 167 bbl fluid avg 4% oil cut. Water starting to taste salty now & turns black upon contact w/ air. (like sulfur water). Secure well & SDON. Have 159 bbl load left to recover.

5/27/04: 12 hr SITP - 40#. Bleed to test tank & swab. IFL @ 5000 ft, FFL @ 6500 ft. 1st run had 60' free oil. Swabbed down to 6500' getting 6 bph fluid entry w/ 4% oil cut - gas is too small to mention. Swabbed 80 bbl today, still have 79 bbl of frac load left. Getting some very fine grain sand on cups - not frac sand but formation sand. Looks like upper Delaware sand. (Olds/Ramsey sand) Shut well in @ 5:00 p.m. until



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6/1/04. Took water sample in to Martin Labs in Midland.

6/1/04: SITP- 160 psi. 96 hr buildup. Total 3 runs. 1st fluid level 2,600' from surface, 500' of oil, 2nd & 3rd fluid levels were 2-3% oil cut, rest brackish water, last fluid level @ 5000' from service, waited on orders. ND BOP, NU wellhead, shut well in. RUDMO.

7/19/04: Day 1. MIRU Basic Well Service. SITP 50#. NU BOP. Release packer, lay down 65 jts 2-7/8" tubing. POH tallying 213 jts 2-7/8". Shut well in. SDFN.

7/20/04: Day 2. Rig up computalog wire line. Run 7" CIBP and set at 9100' w/10 sx cement. Run gr/ccl log from 7000' to 6000', correlate to open hole logs. Perforate 6848' to 6874' w/ 2 jsp, total 53 holes. RIH w/7" B-J 10K packer to 6934'. Circ hole w/260 bbls 2% kcl, broke circulation w/ 19 bbls, approx 2 bbls oil circ out. Pull packer above perfs. SDFN.

7/21/04: Day 3. RU Cudd Services and spot 2 bbls 15% nefe acid. Pull up to 6731', reverse 5 bbls, set packer at 6731' w/206 joints 2-7/8" tubing. Pressure casing to 500#. Break formation w/spot acid at 2408#, est rate at 3.2 bpm at 2314#. Acidize w/1500 gal 15% nefe w/100 ball sealers at avg rate 5 bpm at avg pressure 2900#. Balled out formation w/90 ball sealers. ISIP 2240#, 5 min-1990#, 10 min- 1895#, 15 min- 1801#. Load to recover 145 bbls. Bled well down, release packer, run through perfs, pull up and reset packer. RU swab. Make eight swab runs from surface to seating nipple recovered 42 bbls 100% water. Ninth swab run no fluid recovered. Wait one hour, make tenth swab run, fluid level at 6100', rec 2 bbls 100% water. Make eleventh swab run fluid level at 6400', no fluid recovered. Total 44 bbls recovered. Load to recover 101 bbls. SDFN.

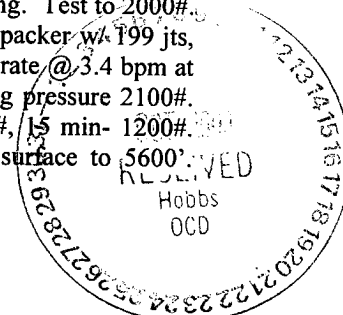
7/22/04: Day 4. SITP slight blow. RU swab. Made 10 swab runs. Recovered 12 ½ bbls. Load to recover 88 ½ bbls.

7/23/04: Day 5. SITP vacuum. RU swab. Sand line parted on 2<sup>nd</sup> swab. POH w/packer, removing sand line. RIH and reset packer @ 6731', Replace sand line. SDFN. Load to recover – 82 ½ bbls.

7/24/04: Day 6. SITP 0#. RU swab. Runs 1-7 recovered 29 bbls. Wait one hour. Runs 8-15 recovered 3 bbls. All runs 100% water. Est load from formation 9 bbls. Total to recover 73 ½ bbls. SDFN.

7/26/04: Day 7. SITP 0#. RU swab. Runs 1-4 recovered 12 bbls. Wait one hour. Runs 5-7 recovered 1-1/2 bbls. All runs 100% water. Total recovered 13 ½ bbls. Load to recover 60 bbl. Release packer. POH. RU computalog and perforate 6620-6658, 2 jsp. SDFN.

7/27/04: Day 8. RIH w/ 7" BJ Packer and plug. Set rbp @ 6737' w/ 206 jts 2-7/8" tubing. Test to 2000#. Pull up to 6658 & spot 2 bbls 15% nefe acid. Pull packer to 6503', reverse 5 bbls, set packer w/ 199 jts, pressure casing to 500#. RU Cudd services. Break formation w/spot acid @ 2460#, est rate @ 3.4 bpm at 2240#. Acidize w/ 1500 gal 15% nefe acid w/140 ball sealers at avg rate 5 bpm at avg pressure 2100#. Did not ball out but had good ball action. ISDP 1460#, 5 min- 1330#, 10 min- 1270#, 15 min- 1200#. Load to recover 136 bbls. RU swab. Make total 21 swab runs, fluid level from surface to 5600'. Recovered total 62 bbls 100% water. Load to recover 74 bbls.



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7/28/04: Day 9. SITP slight blow. RU swab. Total 28 swab runs. 100% water. Recovered 89 bbls. Have recovered 15 bbls over load. SDFN.

7/29/04: Day 10. SITP slight blow. Make one swab run, fl 1600', 100% water. Release packer, RIH, release rbp pull to and set rbp @ 6514' w/199 jts, test to 2000#. POH. RU computalog and perforate 6385-6415', 2 jsp. RIH w/7" BJ packer to 6300'. SDFN.

7/30/04: Day 11. RIH to 6419'. RU Cudd Services and spot 2 bbl 15% acid. Pull packer to 6242', reverse 5 bbls, set packer and pressure casing to 500#. Break formation at 2358#, est rate 3.3 bpm at 2100#. Acidize perms 6385-6415 w/1500 gal 15% nefe acid w/120 ball sealers at avg 5 bpm at avg pressure 2250#. Balled out formation w/120 ball sealers on formation. ISDP 1300#, 5 min- 1164#, 10 min- 1110#, 15 min- 1015#. Load to recover 135 bbls. RU swab. Make total 25 swab runs, recovered total 75 bbls 100% water. Fluid level from surface to 4700', w/ last 5 runs fluid level staying at 4700'. Load to recover 60 bbls. SDFN.

8/2/04: Day 12. SITP 0#. RU swab. Make a total 26 runs, fluid level 1100' to 5300'. Recovered total 91 bbls, 100% water. Rec 31 bbls over load. SDFN.

8/3/04: Day 13. SITP 0#. RU swab, fluid level 1400'. 100% water. Release packer, rih, retrieve rbp. Pull rbp to 6249', set rbp, test 2000#. Poh. RU computalog and perforate 6100 – 6140', 2 jsps. Rih w/7" B\_J packer and 24 joints. SDFN

8/4/04: Day 14. Finish rih to 6145'. RU cudd and spot 2 bbl 15% acid. Pull up to 6014', reverse 5 bbls, set packer, pressure casing to 500#. Break formation at 2670#, est rate 3.1 bpm at 2040#. Acidize w/1500 gal 15% nefe acid and 150 ball sealers at avg rate 5.1 bpm at avg pressure 2375#. Isdp 1670#, 5 min 1575#, 10 min 1518#, 15 min 1467#. Load to recover 130 bbls. RU swab. Make total 13 swab runs, fluid level surface to 5600'. Recovered 42 bbl 100% water. Load to recover 88 bbl.

8/5/04: Day 15. SITP slight blow. RU swab. Total 16 swab runs. 100% water. Total recovered 45 bbls. Load to recover 43 bbls.

8/6/04: Day 16. SITP slight blow. RU swab. Total 2 swab runs. 100% water. Total recovered 6 bbls. Release packer, rih, retrieve rbp, poh. Rih w/ seating nipple and 199 joints 2-7/8 tubing to 6250'. Remove bob, flange up well head. Rdmo. Total 2-7/8 tubing on location 300 joints @ 9692.43'. Final report.

